LINDA LINGLE GOVERNOR



STATE OF HAWAII DEPARTMENT OF TRANSPORTATION

869 Punchbowl Street Honolulu, Hawaii 96813-5097 BRENNON T. MORIOKA DIRECTOR

> Deputy Directors MICHAEL D. FORMBY FRANCIS PAUL KEENO BRIAN H. SEKIGUCHI JIRO A. SUMADA

> > IN REPLY REFER TO:

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

OAHU

WITHDRAWAL AND TERMINATION OF HARBOR LEASE NO. H-99-1, DATED APRIL 1, 1999, ISSUED TO HONOLULU AGENCY, INC. AND OCEANIC GLOBAL TRADING AT PIER 32, HONOLULU HARBOR, KAHOLALOA AND IWILEI, HONOLULU, OAHU

STATUTE:

Sections 171-11, -36 and -61, Hawaii Revised Statutes

LESSEE:

Honolulu Agency, Inc. and Oceanic Global Trading ("HAI/OGT")

CHARACTER

OF USE:

Vessel Agent and Ship Chandlery Operations, and Related Administrative

Offices to Service Legitimate Commercial Shipping and Commercial

Fishing Interests

LOCATION:

Pier 32 Transit Shed, Honolulu Harbor, Kaholaloa and Iwilei, Honolulu

Oahu, see Exhibit "A"

STATUS:

Encumbered by Governor's Executive Order No. 2903, setting aside the

land to the Harbors Division, Department of Transportation

AREA:

Approximately 8,400 square feet of shed space

ZONING:

State Land Use Commission:

Urban District

City and County of Honolulu:

I-3 (Waterfront Industrial)

LAND TITLE

STATUS:

Land acquired after statehood, non-ceded

TERMINATION

DATE:

July 31, 2009

TERM:

Twenty-five (25) years, commencing on April 1, 1999 up to and including

March 31, 2024

ANNUAL

RENTAL:

\$38,450.00

REMARKS:

HAI/OGT has informed the Harbors Division that they wish to terminate their occupancy of the lease area at Pier 32 Transit Shed as a result of the economic downturn. Harbors Division is in need of additional operational areas to accommodate cargo operations and is in favor of withdrawing the entire area demised under Harbor Lease No. H-99-1 and releasing

HAI/OGT from its financial obligations.

In addition, HAI/OGT has agreed to surrender to the State of Hawaii possession of all improvements on the property with the understanding that no compensation will be made for the value of Lessee's improvements.

RECOMMENDATION:

That the Board consent to: (a) the withdrawal of the entire demised lease area; and (b) termination of Harbor Lease No. H-99-1, dated April 1, 1999, subject to the terms and conditions outlined above and incorporated herein by reference, and subject to the following conditions:

- 1. Review and approval by the Department of the Attorney General.
- 2. Such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State.

Respectfully submitted,

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BRENNON T. MORIOKA, Ph.D., P.E.

Director of Transportation

Attachment

APPROVED FOR SUBMITTAL:

URA H. THEILEN Chairperson and Member

